
REQUIRED SUPPLEMENTARY INFORMATION
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
PUBLIC SCHOOL INSURANCE FUND
For the Fiscal Years Ended June 30, 1996-2005

The following table illustrates how earned revenues (net of reinsurance) and investment income of the Public School Insurance Fund (the Fund) compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund for the last ten fiscal years ended June 30. The rows of the table are defined as follows:

- (1) Total of each fiscal year's earned contribution revenues, investment revenues, contribution revenues ceded to excess insurers or reinsurers, and amount of reported revenues net of excess insurance or reinsurance.
- (2) Each fiscal year's other operating costs of the Fund, including overhead and claims expense not allocable to individual claims.
- (3) The Fund's incurred claims (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (before the effect of loss assumed by excess insurers or reinsurers), the loss assumed by excess insurers or reinsurers, and total net amount of incurred claims and allocated claim adjustment expenses.
- (4) Cumulative amounts paid as of the end of successive years for each policy year.
- (5) The reestimated amount for loss assumed by excess insurers or reinsurers as of the end of the current year.
- (6) The reestimated net incurred claims and expenses based on the information available as of the end of the year. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
- (7) Comparison of the latest reestimated net incurred claims amount to the amount originally established (line 3) and indication of whether this latest estimate of claims cost is greater or less than originally thought.

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Table 14

As data for individual policy years mature, the correlation between original estimated and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns in the table present data for successive policy years. Amounts are expressed in thousands.

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1) Required contribution and investment revenue:										
Earned.....	7,180	7,099	8,354	6,343	6,667	8,136	9,599	12,255	10,826	16,219
Ceded.....	2,264	2,298	2,041	1,683	1,727	2,453	2,839	3,396	3,121	2,380
Net earned.....	4,916	4,801	6,313	4,660	4,960	5,683	6,760	8,859	7,705	13,839
2) Unallocated expenses	2,909	2,941	2,708	2,398	2,541	3,214	3,597	3,953	3,689	2,951
3) Estimated claims and expenses, end of policy year:										
Incurred.....	3,246	14,351	8,496	8,615	21,141	6,449	4,846	2,690	12,586	2,093
Ceded.....	—	6,862	700	357	—	—	—	—	—	—
Net incurred.....	3,246	7,489	7,796	8,258	21,141	6,449	4,846	2,690	12,586	2,093
4) Paid (cumulative) as of:										
End of policy year.....	2,061	9,565	2,044	4,077	13,158	422	392	1,921	10,381	3,129
One year later.....	3,723	13,129	4,193	5,931	15,818	2,475	640	2,765	12,788	
Two years later.....	3,742	13,803	4,297	6,108	17,368	2,475	640	3,219		
Three years later.....	3,744	13,810	4,324	6,388	17,368	2,475	640			
Four years later.....	3,760	13,822	4,324	6,388	17,368	2,475				
Five years later.....	3,760	13,822	4,324	6,388	17,368					
Six years later.....	3,760	13,822	4,324	6,388						
Seven years later.....	3,760	13,822	4,324							
Eight years later.....	3,760	13,822								
Nine years later.....	3,760									
5) Reestimated ceded claims and expenses.....	—	6,862	700	357	—	—	—	—	—	—
6) Reestimated net incurred claims and expenses:										
End of policy year.....	3,246	7,489	7,796	8,258	21,141	6,449	4,846	2,690	12,586	2,093
One year later.....	3,814	6,771	3,724	6,740	17,240	2,475	4,846	3,543	12,911	
Two years later.....	3,789	7,023	3,735	6,161	17,368	2,475	4,846	3,947		
Three years later.....	3,765	6,976	3,640	6,031	17,368	2,475	4,846			
Four years later.....	3,760	6,960	3,624	6,031	17,368	2,475				
Five years later.....	3,760	6,960	3,624	6,031	17,368					
Six years later.....	3,760	6,960	3,624	6,031						
Seven years later.....	3,760	6,960	3,625							
Eight years later.....	3,760	6,960								
Nine years later.....	3,760									
7) Increase (decrease) in estimated net incurred claims and expenses from end of policy year.....	514	(529)	(4,171)	(2,227)	(3,773)	(3,974)	—	1,257	325	—